

HOUSE BILL 177

By Lynn

AN ACT to amend Tennessee Code Annotated, Section 13-3-403; Section 13-3-410; Section 13-4-303 and Section 13-4-306, relative to subdivision plats.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 13-3-403(b), is amended by deleting the subsection in its entirety and substituting instead the following:

(b)

(1) As a condition precedent to the final approval of the plat, the regulations may include infrastructure improvement requirements as to the extent to which and the manner in which:

(A) Roads are constructed and improved;

(B) Water, sewer, and other utility mains, piping, and connections are constructed or installed; or

(C) Other infrastructure and facilities are constructed or installed.

(2) The regulations of the regional planning commission may provide for the preliminary approval of the plat before the infrastructure improvements, but any preliminary approval shall not be entered on the plat.

(3) In lieu of the completion of the infrastructure improvements before the final approval of a subdivision plat, the regional planning commission may grant final plat approval subject to the submittal and acceptance of a bond, letter of credit, or other method of assurance, in form, in amount, and with conditions and surety satisfactory to the regional planning commission. The bond, letter of credit, or other method of assurance shall provide for and secure to the public

and the local government the actual construction and installation of the infrastructure improvements within a period specified by the regional planning commission and expressed in the bond, letter of credit, or other method of assurance.

(4) The attorney for the county shall enforce any bond, letter of credit, or other method of assurance by all appropriate legal and equitable remedies, and moneys collected on the bond, letter of credit, or other method of assurance shall be paid into the county's treasury. Upon the order of the regional planning commission, the moneys shall be applied to the construction and installation of the infrastructure improvements.

SECTION 2. Tennessee Code Annotated, Section 13-3-410(a), is amended by deleting the subsection in its entirety and substituting instead the following:

(a) The owner or the agent of the owner of any land shall not:

(1) Transfer, sell, agree to sell, or negotiate to sell the land by reference to, exhibition of, or by other use of a subdivision plat without first submitting a final subdivision plat to the regional planning commission and receiving the commission's approval and before the final plat is recorded in the appropriate register's office; or

(2) Falsely represent to a prospective purchaser of the land that roads or streets will be constructed by a county or other political subdivision. The description by metes and bounds in the instrument of transfer or other document used in the sale or transfer does not exempt the transaction from a violation of this subsection (a). The county, through the county attorney or other official designated by the legislative body, may pursue an injunction or other appropriate remedy for a violation of this subsection (a).

SECTION 3. Tennessee Code Annotated, Section 13-3-410, is amended by adding the following language as a new subsection (b) and designating the existing subsection (b) as subsection (c):

(b) The owner or agent of the owner of any land may sell, transfer, or agree to sell any lot or lots shown on a plat only after that plat has been given final plat approval by the regional planning commission, and after the approved final plat is recorded in the office of the appropriate county register. The regional planning commission may grant final plat approval where the infrastructure improvements such as roads, water, sewer, utilities, other infrastructures, and facilities are not completed and accepted by the appropriate entities. For the regional planning commission to grant final approval, the owner or agent of the owner of the land to be granted final approval shall post a bond, letter of credit, or other method of assurance in form, in amount, and with conditions and surety satisfactory to the regional planning commission. The bond, letter of credit, or other method of assurance shall provide for and secure to the public and the county the actual construction and installation of the infrastructure improvements within a period specified by the regional planning commission.

SECTION 4. Tennessee Code Annotated, Section 13-4-303(b), is amended by deleting the subsection in its entirety and substituting instead the following:

(b)

(1) As a condition precedent to the final approval of the plat, the regulations may include infrastructure improvement requirements as to the extent to which and the manner in which:

(A) Roads are constructed and improved;

(B) Water, sewer, and other utility mains, piping, and connections are constructed or installed; or

(C) Other infrastructure and facilities are constructed or installed.

(2) The regulations of the planning commission may provide for the preliminary approval of the plat before the infrastructure improvements, but any preliminary approval shall not be entered on the plat.

(3) In lieu of the completion of the infrastructure improvements before the final approval of a subdivision plat, the planning commission may grant final plat approval subject to the submittal and acceptance of a bond, letter of credit, or other method of assurance, in form, in amount, and with conditions and surety satisfactory to the planning commission. The bond, letter of credit, or other method of assurance shall provide for and secure to the public and the local government the actual construction and installation of the infrastructure improvements within a period specified by the municipal planning commission and expressed in the bond, letter of credit, or other method of assurance.

(4) The attorney for the municipality shall enforce any bond, letter of credit, or other method of assurance by all appropriate legal and equitable remedies, and moneys collected on the bond, letter of credit, or other method of assurance shall be paid into the municipality's treasury. Upon the order of the planning commission, the moneys shall be applied to the construction and installation of the infrastructure improvements.

SECTION 5. Tennessee Code Annotated, Section 13-4-306, is amended by deleting the section in its entirety and substituting instead the following:

(a) The owner or the agent of the owner of any land shall not:

(1) Transfer, sell, agree to sell, or negotiate to sell the land by reference to, exhibition of, or by other use of a subdivision plat without first submitting a final subdivision plat to the municipal planning commission and receiving the

commission's approval and before the final plat is recorded in the appropriate register's office; or

(2) Falsely represent to a prospective purchaser of the land that roads or streets will be constructed by the municipality or other political subdivision. The description by metes and bounds in the instrument of transfer or other document used in the sale or transfer does not exempt the transaction from a violation of this subsection (a). The municipality, through the municipal attorney or other official designated by the chief legislative body, may pursue an injunction or other appropriate remedy for a violation of this subsection (a).

(b) The owner or agent of the owner of any land may sell, transfer, or agree to sell any lot or lots shown on a plat only after that plat has been given final plat approval by the planning commission, and after having been granted this final plat approval, the final plat is recorded in the office of the county register. The planning commission may grant final plat approval where the infrastructure improvements such as roads, water, sewer, utilities, other infrastructures, and facilities are not completed and accepted by the appropriate entities. For the planning commission to grant final approval, the owner or agent of the owner of the land to be granted final approval shall post a bond, letter of credit, or other method of assurance in form, in amount, and with conditions and surety satisfactory to the planning commission. The bond, letter of credit, or other method of assurance shall provide for and secure to the public and the municipality the actual construction and installation of the infrastructure improvements within a period specified by the planning commission.

(c) The remedies and penalties provided by this chapter are to be applied exclusively to the owner or agent of the owner. Title to any tract conveyed without compliance with this chapter is not affected by this chapter unless the sale or transfer

has been enjoined by a court of competent jurisdiction before the conveyance is recorded in the office of the appropriate county register. While the title to the tract is not affected by this chapter, the tract remains otherwise subject to this chapter.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.